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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of

Open Network Architecture Tariffs
of the Bell Operating Companies

)

CC Docket No. 92-91

COMMENTS

Sprint Communications Company, L.P., hereby respectfully submits its comments in support of MCI's "Petition for Reconsideration" (filed January 14, 1994) of the Commission's ONA Investigation Final Order (FCC 93-532, released December 15, 1993) in the above-captioned proceeding. As MCI correctly points out, the "secret ratemaking" which characterized the filing and investigation of the BOCs' ONA tariffs prevented interested parties from thoroughly evaluating the BOCs' ONA ratemaking processes and the resulting rates. Thus, neither the Commission nor access customers can be assured that such rates are just and reasonable, as is required by the Act.

Sprint agrees with MCI that the measures taken by US West and Bellcore (on behalf of the other BOCs), and sanctioned by the Commission, to protect the "proprietary" and "confidential" information and computer models used to develop the ONA rates were so extreme as to deny intervenors sufficient opportunity to fully analyze such information, to perform sensitivity analyses of questionable input factors, or to evaluate and possibly expand the analyses performed by other intervenors in this proceeding. The protective arrangements

No. of Copies rec'd_ List ABCDE adopted in the ONA investigation go far beyond those used in any other Commission proceeding of which Sprint is aware. Nondisclosure agreements are the traditional means of protecting information which is both relevant and sensitive. For example, in various formal complaint proceedings (e.g., Sprint v. AT&T, File No. E-90-113, which encompassed sensitive competitive information regarding Tariff 12 offerings) and other rate investigations (e.g., the SNFA investigation (4 FCC Rcd 6767 (1989)), the Commission has ordered that relevant information be provided to intervenors, if necessary pursuant to protective agreements. These agreements were deemed sufficient to satisfy the confidentiality/nondisclosure concerns of the parties involved. The BOCs have failed to offer a reasonable explanation as to why a nondisclosure agreement would not also have been sufficient protection in the ONA investigation.1 Their refusal to accept nondisclosure agreements here is especially puzzling given that the SCIS/SCM models have apparently been disclosed (pursuant to confidentiality agreements) in state regulatory proceedings.

Sprint is deeply concerned that the precedent set in the instant proceeding will be applied to other proceedings as well, including any examination of new services or new rate elements which are developed using switch costing models such

¹As Sprint has previously demonstrated (<u>see</u>, <u>e.g.</u>, Sprint's Comments in support of MCI's Application for Review, pp. 3-4), the BOCs' fear of "reverse engineering" of their costing models is groundless. Perhaps the only area in which special care would have to be taken concerns price discounts from switch vendors.

as SCIS and SCM. Although the Commission has stated that it does not expect the "unusual procedures" employed in the ONA investigation to be employed in future proceedings without "substantial" justification (Order, n. 163), such expectation reflects the triumph of hope over experience and has already been shown to be overly optimistic. The BOCs have already refused to provide certain ratemaking data in the on-going investigation of interstate 800 database access rates (CC Docket No. 93-129), again citing the purported confidentiality of the SCIS/SCM models. If the BOCs are allowed to keep secret key information used to develop rates, there will be no way to ensure that any such tariffed rates are just and reasonable.

Because the record before it in the instant investigation is incomplete, the Commission's finding that the BOCs' ratemaking methods were "generally sound" (Order, para. 3) is unwarranted, and should be reconsidered. The Commission should accordingly grant MCI's Petition, and reopen the ONA investigation "in a manner that permits meaningful participation by intervenors" (MCI, p. 8).

Respectfully submitted, SPRINT COMMUNICATIONS COMPANY, L.P.

Arina Mny
Leon M. Kestenbaum
Norina T. Moy

1850 M St., N.W., Suite 1110 Washington, D.C. 20036

(202) 857-1030

January 27, 1994

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing COMMENTS of Sprint Communications Company L.P. was sent by United States first-class mail, postage prepaid, on this the 27th day of January, 1994, to the below-listed parties:

Kathleen Levitz
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Gregory Vogt, Esq.
Chief, Tariff Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Stan Wiggins, Esq.
Senior Attorney
Tariff Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

James F. Britt Executive Director Bell Communications Research LCC 2E-243 290 West Mt. Pleasant Avenue Livingston, NJ 07039

U.S. WEST Communications, Inc. 1020 19th Street, N.W. Suite 700 Washington, D.C. 20036

James S. Blaszak Charles C. Hunter Gardner, Carton & Douglas 1301 K Street, N.W. Suite 900 - East Tower Washington, D.C. 20005

J. Scott Nicholls
Roy L. Morris
Allnet Communications Services, Inc.
1990 M Street, N.W.
Suite 500
Washington, D.C. 20036

Richard E. Wiley
Michael Yourshaw
William B. Baker
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Counsel for American
Newspaper Publishers Association

Francine J. Berry
David P. Condit
Peter H. Jacoby
Edward A. Ryan
American Telephone & Telegraph Co.
295 North Maple Avenue
Room 3244J1
Basking Ridge, NJ 07920

Daryl L. Avery
Peter Wolfe
Public Service Commission
of the District of Columbia
450 Fifth Street, N.W.
Washington, D.C. 20001

Michael J. Ettner General Services Administration Personal Property Division 18th and F Streets, N.W. Room 4002 Washington, D.C. 20405

Larry Blosser Frank Krogh Donald Elardo MCI 1801 Pennsylvania Avenue, N.W. Washington, D.C. 20006

Peter A. Rohrbach Karis A. Hastings Hogan & Hartson 555 13th Street, N.W. Washington, D.C. 20004

Randall B. Lowe
John E. Hoover
Michael R. Carper
Jones, Day, Reavis & Pogue
1450 G Street, N.W.
Washington, D.C. 20005
Counsel for Metromedia
Communications Corporation

Paul DeJongh Northern Telecom, Inc. P. O. Box 13010 Research Triangle Park, NC 27709-3010

L. Michelle Boeckman 730 International Parkway Richardson, TX 75081 Counsel for Ericsson Network Systems

Albert Halprin
Stephen L. Goodman
Halprin & Goodman
1301 K Street, N.W.
Suite 1020 East
Washington, D.C. 20005

Jo Ann Goodard Riley Director Pacific Telesis Federal Regulatory Relations 1275 Pennsylvania Avenue, N.W. Suite 400 Washington, D.C. 20004

Internation Transcription Service 1919 M Street, N.W. Room 246 Washington, D.C. 20554

Floyd S. Keene Attorney for Ameritech 2000 West Ameritech Center Drive Room 4H64 Hoffman Estates, IL 60196-1025

Bell Atlantic 1710 H Street, N.W. Washington, D.C. 20006

William B. Barfield Attorney for BellSouth 1155 Peachtree Street, N.E. Room 1800 Atlanta, GA 30367

Mary McDermott Attorney for NYNEX 120 Bloomingdale Road White Plains, NY 10605 William C. Sullivan Attorney for Southwestern Bell 1010 Pine Street, Room 2305 St. Louis, MO 63101

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